
SENATE BILL 5277

State of Washington

55th Legislature

1997 Regular Session

By Senators Winsley, Fraser, Prince, Long, Franklin, Loveland, Oke, Roach, Hochstatter, Swecker, Bauer and Patterson; by request of Joint Committee on Pension Policy

Read first time 01/21/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to public employees' retirement system plan I
2 members who separate from service without withdrawing their
3 contributions from the retirement system; amending RCW 41.40.150; and
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 41.40.150 and 1994 c 197 s 26 are each amended to read
7 as follows:

8 Should any member die, or should the individual separate or be
9 separated from service without leave of absence before attaining age
10 sixty years, or should the individual become a beneficiary, except a
11 beneficiary of an optional retirement allowance as provided by RCW
12 41.40.188, the individual shall thereupon cease to be a member except;

13 (1) As provided in RCW 41.40.170.

14 (2) An employee not previously retired who reenters service shall
15 upon completion of six months of continuous service and upon the
16 restoration, in one lump sum or in annual installments, of all
17 withdrawn contributions: (a) With interest as computed by the
18 director, which restoration must be completed within a total period of
19 five years of membership service following the member's first

1 resumption of employment or (b) paying the amount required under RCW
2 41.50.165(2), be returned to the status, either as an original member
3 or new member which the member held at time of separation.

4 (3)(a) A member who separates or has separated after having
5 completed at least five years of service, but has not attained the age
6 of fifty with at least twenty years of service, shall remain a member
7 during the period of absence from service for the exclusive purpose of
8 receiving a retirement allowance to begin at attainment of age sixty-
9 five, however, such a member may on written notice to the director
10 elect to receive a reduced retirement allowance on or after age sixty
11 which allowance shall be the actuarial equivalent of the sum necessary
12 to pay regular retirement benefits as of age sixty-five: PROVIDED,
13 That if such member should withdraw all or part of the member's
14 accumulated contributions except those additional contributions made
15 pursuant to RCW 41.40.330(2), the individual shall thereupon cease to
16 be a member and this section shall not apply.

17 (b) A member who separates or has separated after attaining the age
18 of fifty with at least twenty years of service shall remain a member
19 during the period of absence from service for the exclusive purpose of
20 receiving a retirement allowance to begin at attainment of age sixty.
21 If such a member should withdraw all or part of the member's
22 accumulated contributions except those additional contributions made
23 pursuant to RCW 41.40.330(2), the individual shall thereupon cease to
24 be a member and this section shall not apply.

25 (4)(a) The recipient of a retirement allowance who is employed in
26 an eligible position other than under RCW 41.40.023(12) shall be
27 considered to have terminated his or her retirement status and shall
28 immediately become a member of the retirement system with the status of
29 membership the member held as of the date of retirement. Retirement
30 benefits shall be suspended during the period of eligible employment
31 and the individual shall make contributions and receive membership
32 credit. Such a member shall have the right to again retire if eligible
33 in accordance with RCW 41.40.180: PROVIDED, That where any such right
34 to retire is exercised to become effective before the member has
35 rendered two uninterrupted years of service the type of retirement
36 allowance the member had at the time of the member's previous
37 retirement shall be reinstated;

38 (b) The recipient of a retirement allowance elected to office or
39 appointed to office directly by the governor, and who shall apply for

1 and be accepted in membership as provided in RCW 41.40.023(3) shall be
2 considered to have terminated his or her retirement status and shall
3 become a member of the retirement system with the status of membership
4 the member held as of the date of retirement. Retirement benefits
5 shall be suspended from the date of return to membership until the date
6 when the member again retires and the member shall make contributions
7 and receive membership credit. Such a member shall have the right to
8 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,
9 That where any such right to retire is exercised to become effective
10 before the member has rendered six uninterrupted months of service the
11 type of retirement allowance the member had at the time of the member's
12 previous retirement shall be reinstated, but no additional service
13 credit shall be allowed: AND PROVIDED FURTHER, That if such a
14 recipient of a retirement allowance does not elect to apply for reentry
15 into membership as provided in RCW 41.40.023(3), the member shall be
16 considered to remain in a retirement status and the individual's
17 retirement benefits shall continue without interruption.

18 ~~((5) Any member who leaves the employment of an employer and
19 enters the employ of a public agency or agencies of the state of
20 Washington, other than those within the jurisdiction of this retirement
21 system, and who establishes membership in a retirement system or a
22 pension fund operated by such agency or agencies and who shall continue
23 membership therein until attaining age sixty, shall remain a member for
24 the exclusive purpose of receiving a retirement allowance without the
25 limitation found in RCW 41.40.180(1) to begin on attainment of age
26 sixty five; however, such a member may on written notice to the
27 director elect to receive a reduced retirement allowance on or after
28 age sixty which allowance shall be the actuarial equivalent of the sum
29 necessary to pay regular retirement benefits commencing at age sixty-
30 five: PROVIDED, That if such member should withdraw all or part of the
31 member's accumulated contributions except those additional
32 contributions made pursuant to RCW 41.40.330(2), the individual shall
33 thereupon cease to be a member and this section shall not apply.))~~

34 NEW SECTION. **Sec. 2.** This act applies to all members who will
35 separate from service under RCW 41.40.150(3) on or after January 1,
36 1997, if they are not retirees as of the effective date of this act.

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